

October 25, 2013

To: Executive Board

Subject: **Management Compensation Program Modifications and Staffing Additions**

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### **Recommendation**

Authorize the Executive Director to implement changes to the management compensation program as noted below.

### **Analysis**

In June, 2013, the Executive Board adopted Foothill Transit's management compensation plan. This plan identified pay ranges and other benefits for employees working directly for Foothill Transit. Now that this plan has been in place for several months, the following modifications are recommended:

*Procurement Manager* – Based on a review of the position of Procurement Coordinator, it is recommended that this position be changed to Procurement Manager. It is further recommended that the pay grade be changed from grade 6 to grade 7. This position has substantial responsibility for supporting the procurement function and acts as the department director in the absence of the department director. In light of this level of responsibility, the change in title and grade is recommended.

*Records Specialist* - It is recommended that the Procurement Assistant (Part Time) position be re-classified to full time Records Specialist. The primary duties of this role have changed as the FTA continues to update its Best Practices Procurement Manual. Consistent with the manual, the recommended new position will focus primarily on ensuring proper development and execution of procurement documentation. While FTA does not mandate electronic files, it does require substantial documentation for each procurement, and electronic filing is encouraged. The recommended pay grade for this position is grade 4.

*Transit Bus Passes for Employees and Dependents* – The current compensation plan provides transit bus passes to employees for their professional and personal use. It is recommended that bus passes be provided to all employees and their dependents. This will further encourage the use of the Foothill Transit system by employees and their dependents.

*Flu Shots* – In order to encourage good health, the cost of flu shots for employees and their dependents covered by the Foothill Transit group medical health plans would be eligible to receive reimbursement annually for the administration of the flu shot.

*Director of Customer Relations* – In order to enhance Foothill Transit's interactions with customers, the position of Director of Customer Relations is recommended to be created. The individual selected for this position would be responsible for Foothill Transit's customer comment process. In addition, this position would be responsible for coordinating

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engagement by customers. Further, the position would be responsible for the risk management function. The Director of Customer Relations would be classified as pay grade 8.

*Maintenance Quality Assurance Inspector*– Staff recommends the addition of one maintenance quality assurance inspector position. Now that Foothill Transit is purchasing buses annually, the inspection of the manufacture of these buses will be ongoing. Further, additional efforts in monitoring the operating contractors' compliance with contract terms would further improve fleet performance. This position would be in pay grade 6.

*Internship Program* – As part of Foothill Transit's commitment to workforce development, it is recommended that two internship positions be created. The internships would allow students to gain valuable skills and knowledge. In addition, the interns would be able to support Foothill Transit in achieving its mission. Interns would work an average of 20 hours per week and would be paid \$15.00 per hour.

**Attachment A** is a red-lined version of the management compensation plan with the outlined recommended changes.

### **Budget Impact**

Funds are available in the adopted fiscal year 2014 business plan and budget for all of the proposed changes. The reclassification of the procurement manager position is expected to have a budget impact of less than \$10,000 per year. The reclassification of the Procurement Assistant to Records Specialist is expected to have a cost impact of \$34,000 per year. The provision of transit bus passes is expected to have negligible impact on expenses. The provision of annual flu shots will cost less than \$6,000. The addition of the Director of Customer Relations is expected to have cost of approximately \$120,000 annually, which includes benefits. The additional Maintenance Quality Assurance Inspector would have an annual cost of approximately \$85,000 including benefits. The internship program is expected to cost approximately \$30,000 per year. The overall cost impact of the recommended changes could be \$285,000 annually.

Sincerely,



Doran J. Barnes  
Executive Director



## **Foothill Transit**

Going Good Places

### **Foothill Transit Employee Compensation Program**

Adopted ~~June 21, 2013~~ October 25, 2013

Foothill Transit's employee compensation plan is described below. The Foothill Transit Board reserves the right to modify or change this plan at its sole discretion at any time. The Executive Director is charged with administering this program.

*Please note that while Foothill Transit has been in existence for 25 years, it is just beginning as an employer. This program has been crafted with great care. Employee should fully understand that changes to this program are highly likely and should be fully expected as Foothill Transit gains experience as an employer. Further, the Affordable Health Care Act is expected to require changes to health plan coverages. Again, employees should expect changes in the future.*

#### **Pay Grades**

Foothill Transit shall utilize the following pay grades and ranges. Employees may be hired at any point within these pay ranges at the discretion of the Executive Director and subject to overall budget limitations:

	Bi Weekly Min	Bi Weekly Max	Annual Minimum	Annual Maximum	Position Type
Foothill Transit Grade 8	\$2,885	\$5,692	\$80,000	\$148,000	Department Director
Foothill Transit Grade 7	\$2,308	\$4,231	\$60,000	\$110,000	Department Manager
Foothill Transit Grade 6	\$1,885	\$3,115	\$49,000	\$81,000	Technical Staff
Foothill Transit Grade 5	\$1,654	\$2,500	\$43,000	\$65,000	Technical Support
Foothill Transit Grade 4	\$1,385	\$2,115	\$36,000	\$55,000	Administrative Support
Foothill Transit Grade 3	\$1,154	\$1,769	\$30,000	\$46,000	Clerical Support

Compensation for the Executive Director shall be set at the sole discretion of the Board. Compensation for the Deputy Executive Director shall not be less than 65 percent of the compensation of the Executive Director and not more than 80 percent of the compensation of the Executive Director

**Positions by Pay Grade**

Foothill Transit positions are assigned to the following pay grades:

	Department	Pay Grade
<del>Purchasing Administrative Assistant</del>	<del>Purchasing</del>	<del>Grade 2</del>
Facilities Administrative Assistant	Facilities	Grade 2
Administrative Assistant	Administration	Grade 3
Receptionist	Administration	Grade 3
Marketing Assistant	Marketing	Grade 3
Operations and Customer Services Assistant	Operations	Grade 3
Accounting Clerk	Finance	Grade 4
<u>Records Specialist</u>	<u>Procurement</u>	<u>Grade 4</u>
Staff Accountant	Finance	Grade 5
Fare Technology Specialist	Finance	Grade 5
Maintenance Quality Assurance Inspector	Maintenance	Grade 5
Marketing and Communications Coordinator	Marketing	Grade 5
Quality Assurance Inspector	Operations	Grade 5
Quality Assurance Analyst	Operations	Grade 5
Human Resources Manager	Administration	Grade 6
<del>Procurement Coordinator</del>	<del>Administration</del>	<del>Grade 6</del>
Facilities Manager	Facilities	Grade 6
Grant Specialist	Finance	Grade 6
Project Accountant	Finance	Grade 6
Senior Accountant	Finance	Grade 6
New Media and Customer Relations Coordinator	Marketing	Grade 6
Maintenance and Vehicle Technology Manager	Maintenance	Grade 6
Help Desk Administrator	I.T.	Grade 6
IT Application Specialist	I.T.	Grade 6
Safety Compliance Coordinator	Operations	Grade 6
Transit Planner	Planning	Grade 6
Board Support Manager/Executive Assistant	Administration	Grade 7
Government Relations Manager	Administration	Grade 7
Construction Project Manager	Facilities	Grade 7
Finance Manager	Finance	Grade 7
Manager of Community Engagement	Marketing	Grade 7
Network Manager	I.T.	Grade 7
<u>Procurement Manager</u>	<u>Procurement</u>	<u>Grade 7</u>
Operations Contract Manager	Operations	Grade 7
Transit Planning Manager	Planning	Grade 7
Director of Procurement	Procurement	Grade 8
Director of Government Relations	Administration	Grade 8
Director of Facilities	Facilities	Grade 8
<u>Director of Customer Relations</u>	<u>Administration</u>	<u>Grade 8</u>
Director of Maintenance and Vehicle Technology	Maintenance	Grade 8
Director of Marketing and Communications	Marketing	Grade 8
Director of Information Technology	I.T.	Grade 8
Director of Planning	Planning	Grade 8



Director of Finance

Director of Customer Service and Operations

Finance

Operations

Grade 8

Grade 8

### **Internship Program**

As part of Foothill Transit's commitment to workforce development, Foothill Transit has created an internship program. The internships allow students to gain valuable skills and knowledge. In addition, the interns support Foothill Transit in achieving its mission. Interns work an average of 20 hours per week and would be paid \$15.00 per hour.

### **Vacation Time**

Foothill Transit shall provide vacation time to all full-time employees at the following rates per

0-5 years of Service	3.08 hours per pay period, which equates to 80 hours per year or two weeks per year
5-10 years of Service	4.61 hours per pay period, which equates to 120 hours per year or three weeks per year
10-15 years of service	6.15 hours per pay period, which equates to 160 hours per year or four weeks per year
15+ years of service	7.69 hours per pay period, which equates to 200 hours per year or five weeks per year

Years of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit. Service does not need to be consecutive.

Maximum accrual is two times the annual vacation amount or 280 hours, whichever is less.

In December of each year, employees may cash out up to one half of their vacation balance or 80 hours, whichever is less. To be eligible for the cash out option, the employee must have taken at least 40 hours of vacation time in the prior twelve months.

Employees hired during calendar year 2013 may take up to 40 hours of vacation time in advance of earning vacation time. This accommodation will only be provided during calendar year 2013.

### **Holidays**



Foothill Transit shall observe the following holidays:

- Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving

In addition, Foothill Transit will observe a holiday period beginning on December 24<sup>th</sup> of each year and ending on January 1<sup>st</sup>. During this time, the administrative offices will be closed. The specific days for this holiday period will be established at the beginning of each fiscal year. The specific number of days and total hours of holiday time will vary from year to year. It is anticipated a flex day will fall within this period for most employees, most years and will be accounted for as part of the total time away from work during this period.

Foothill Transit will grant paid holiday time off to all eligible employees immediately upon assignment to full-time status. Holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Part-time employees are not eligible for holiday pay.

### **Sick Leave**

3.69 hours per pay period, which equates to 12 days per year.

### **Work Hours and Schedules**

Management and administrative employees will work a 9/80 flex schedule with every other Monday off. Work hours will be as follows:

Tuesday through Friday	7:30 a.m. to 5:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.
First Monday:	Office closed	
Second Monday	7:30 a.m. to 4:30 p.m.	Lunch: 12:00 p.m. to 1:00 p.m.

Certain positions in the Customer Service and Operations team may be assigned alternate schedules due to operational hours of the administrative office.



## Health Benefits

Foothill Transit shall pay 100% of the lowest cost California Choice HMO 15 health plan (\$15 dollar office co-pay) provided for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

Foothill Transit shall pay 100% of the cost of dental, vision and chiropractic care for the employee and either a spouse/domestic partner or children. Full family coverage shall be made available. The employee shall be responsible for the additional cost of family coverage.

In order to encourage good health, the cost of flu shots for employees and their dependents covered by the Foothill Transit group medical health plans are eligible to receive reimbursement annually for the administration of the flu shot.

## Life Insurance

Foothill Transit shall provide life insurance at one times annual salary. Per United States Internal Revenue requirements, the premium for insurance in excess of \$50,000 per year is considered taxable income. Employees will be responsible for this tax liability. A payroll deduction will be made each pay period related to this tax liability.

## Retirement Benefits

Foothill Transit shall contribute seven percent of the employee's bi-weekly compensation to a defined contribution retirement plan. In addition, Foothill Transit will match 100 percent of employee contributions up to two percent of annual compensation to this retirement plan. The employee contribution component of this program is expected to begin on October 1, 2013. The specific date will be announced once it has been determined.

## Tuition Reimbursement

Employees shall be eligible for tuition reimbursement for classes related to professional positions at Foothill Transit. A grade of "C" or better must be achieved to obtain reimbursement. The maximum annual reimbursement shall be \$5,250.

## Length of Service Recognition

Employees shall receive a one-time length of service payment as follows:



5 years of service	\$500
10 years of service	\$750
15 years of service	\$1,000
Each subsequent five years of service	\$1,000

Length of service shall include time worked as a Foothill Transit employee and time worked for a Foothill Transit operating and/or management contract for the period in which the employee was assigned full-time to serving Foothill Transit.

Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.

### **Employee of the Quarter Superior Service Recognition**

Employees who are selected as employee of the quarter for superior service recognition shall receive a one-time payment of \$500. Amounts noted are gross pay and shall be treated as ordinary income, which is subject to appropriate taxes.